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## **Sen. Laura Toy casts no vote on securitization plan**

**LANSING** – State Sen. Laura M. Toy, R-Livonia, voted no on a plan passed by the Michigan Senate today that would allow political appointees to invest a billion dollars of taxpayer money in high-risk ventures to try to diversify the state's economy.

“This plan may eventually create some jobs, but at what cost,” Sen. Toy said. “This is an expensive solution that isn't going to provide any relief to those struggling with unemployment or underemployment today, and is a gamble on Michigan's future. After carefully researching this issue for almost a year, I have come to the conclusion that this plan is seriously flawed, and I could not in good conscience support it.”

The plan would sell off a portion of the revenues the state receives from its court settlement with the tobacco companies to get a lump sum of \$1 billion. Currently these revenues are used in the state budget to support healthcare for the state's poor, as well as a college scholarship program.

Experts in the non-partisan Senate Fiscal Agency estimate the state would see 55 cents on the dollar at best under this plan. In other words, it will cost the state about \$2 billion in state revenues over time, to get the \$1 billion lump sum today.

Among other things, the plan authorizes the \$1 billion to be invested in high-risk and start-up ventures. It would allow a board, whose members would be appointed by the Governor, the Senate Majority leader and the speaker of the House of Representatives, to award the money as commercial loans, equity investments, and venture capital to private companies.

“People are struggling with high gas prices at the pump, high natural gas prices this winter, prescription drug costs, and other rising living expenses,” Sen. Toy said. “So to say right now let's sacrifice \$2 billion of state revenues to benefit a select few is in my view irresponsible.”

Sen. Toy also sponsored an amendment to the legislation which would have made it subject to approval by the voters of Michigan at the next regular election.

“I'm very disappointed that this amendment wasn't adopted,” Sen. Toy said. “Under the governor's original proposal to the Legislature, the people of Michigan would at least get to vote on this.”

Sen. Toy developed a number of alternatives to the plan approved by the Senate today aimed at growing Michigan's economy, including a proposal to increase the state's investments in the automotive industry, agriculture, and tourism, the state's three largest industries.

"The auto industry employs one in five people in our state. Agriculture is our state's second largest industry employing half a million people, tourism is the third biggest employing almost 200,000," Sen. Toy said. "We have independent studies for example that say for every dollar we spend to promote tourism; we get three dollars back into our state treasury and many more in overall economic activity. Yet in the last 15 years our state's tourism budget has gone from number 7 in the nation down to number 31. We're the Great Lakes state; why not invest some more dollars here?"

The legislation now goes back to the House of Representatives where they must decide whether to agree with the changes that have been made by the Senate. If approved, the legislation will then head to the governor's desk.

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